

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7075

BILL NUMBER: HB 1353

DATE PREPARED: Jan 9, 2002

BILL AMENDED:

SUBJECT: School and welfare finance; state expenditures.

FISCAL ANALYST: Diane Powers

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Ties increases in state expenditures to increases in inflation and population. Allows the general assembly to authorize additional spending through adoption of a concurrent resolution. Establishes the excess tax fund to receive certain state revenues that exceed the spending limit and to fund property tax relief programs. Eliminates a county's authority to impose a property tax levy for the county family and children's fund and to borrow for welfare purposes. Transfers responsibility for funding children's services to the state. Transfers \$50,000,000 annually from the lottery and gaming surplus account to the state welfare replacement fund to fund children's services. Appropriates necessary funding from the state general fund. Provides a credit paid from the state general fund against a taxpayer's inventory tax liability. Specifies that the credit is 25% of net inventory tax liability in 2003 and increases to 100% of net inventory tax liability in 2006 and thereafter. Repeals the apportionment limit to the state research expense tax credit and provides that a taxpayer's credit is based solely on the taxpayer's Indiana qualified research expenses. Eliminates the school general fund property tax levy for taxes first due and payable in 2003 and appropriates necessary school funding from the state general fund. Amends the tuition support formula and the calendar year tuition support levy cap for calendar year 2003 to compensate for the elimination. Makes conforming amendments. Repeals county welfare property tax controls. Repeals provisions relating to the county welfare fund. Repeals provisions relating to county financing of certain family and children services.

Effective Date: Upon passage; January 1, 2002 (retroactive); July 1, 2002; January 1, 2003; January 1, 2004; January 1, 2005.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: